

Message Text

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ACTION EUR-12

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TAGS: PINT, ECON, SP
SUBJECT: FUENTES QUINTANA EXPLAINS RESIGNATION AS
VICE PRESIDENT FOR ECONOMY

REF: MADRID 2314, MADRID 2302, MADRID 2382 (NOTAL)

1. FOLLOWING THE FEBRUARY 24 ANNOUNCEMENT OF HIS REPLACE-
MENT AS SPAIN'S SECOND VICE PRESIDENT AND MINISTER OF
ECONOMY, FUENTES QUINTANA AVOIDED ANY PUBLIC EXPLANATION
OF HIS DECISION TO LEAVE THE GOVERNMENT'S TOP ECONOMIC
POLICY POSITION. BREAKING THIS SILENCE FUENTES, WHO IS
NOW THE PRIME MINISTER'S "CHIEF ECONOMIC COUNSELOR,"
DISCLOSED HIS MOTIVES IN AN INTERVIEW PUBLISHED ON MARCH 8
BY THE MADRID DAILY "ABC." HE SAID WHAT ALMOST EVERYONE
ALREADY BELIEVED (INCLUDING THE EMBASSY - SEE REFTELS):
HE WAS DISSATISFIED WITH SEVERAL MINISTERS HAVING ECONOMIC
PORTFOLIOS, AND HE BELIEVED THAT THEIR INACTION REDUCED
THE EFFECTIVENESS OF THE GOVERNMENT'S PROGRAM OF AUSTERITY
AND STRUCTURAL REFORM. IN HIS OWN WORDS, HE "RESIGNED
SO THAT THOSE WHO COULD GOVERN WOULD BE ABLE TO DO SO."

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2. IN THE INTERVIEW FUENTES IDENTIFIED THE AREAS WHERE
HE BELIEVED THAT NECESSARY POLICY MEASURES HAD NOT BEEN
TAKEN:

- REFORMING AND CONTROLLING THE NATIONAL SOCIAL
SECURITY SYSTEM, AND THE "SCANDALOUS WASTE" OF UNEMPLOY-

MENT FUNDS (RESPONSIBILITY OF THE MINISTER OF HEALTH AND SOCIAL SECURITY);

- DIRECTLY TREATING UNEMPLOYMENT, ESPECIALLY AMONG AGRICULTURAL WORKERS AND YOUNG PEOPLE (PRIMARILY THE RESPONSIBILITY OF THE MINISTER OF LABOR, ALTHOUGH FUENTES COULD IN ADDITION BE REFERRING TO THE MINISTER OF AGRICULTURE);

- PRESENTING TIMELY AND WELL-PREPARED PLANS FOR RESTRUCTURING INDUSTRIAL SECTORS SUCH AS ENERGY, STEEL AND TEXTILES (MINISTER OF INDUSTRY AND ENERGY); AND

- PLANNING INVESTMENTS IN PUBLIC WORKS AND HOUSING (PRIMARILY THE MINISTER OF PUBLIC WORKS AND URBAN AFFAIRS).

3. COMMENT: THE COMPLAINTS VOICED BY FUENTES QUINTANA SUGGEST THAT SUAREZ DID NOT REPLACE ALL THE PEOPLE THAT FUENTES WOULD HAVE LIKED. ALTHOUGH THE MINISTERS OF LABOR AND OF INDUSTRY AND ENERGY WERE CHANGED, MINISTER OF HEALTH AND SOCIAL SECURITY ENRIQUE SANCHEZ DE LEON STAYED IN SPITE OF STRONG DIFFERENCES WITH FUENTES. ACCORDING TO A KNOWLEDGEABLE SOURCE SANCHEZ DE LEON WAS NOT REPLACED BECAUSE HE IS "HONEST AND HARD-WORKING" EVEN IF NOT TOO EFFECTIVE, AND BECAUSE SUAREZ WANTED TO LIMIT THE NUMBER OF CABINET CHANGES. STABLER

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